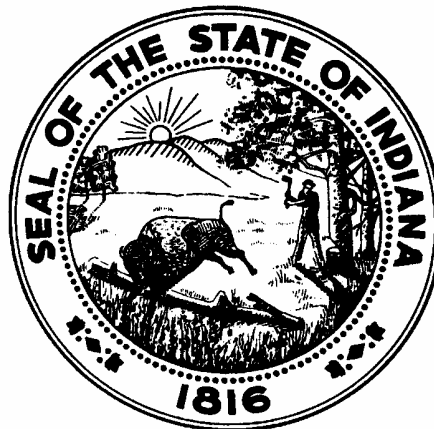


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 132 AND 432  
SHELBYVILLE, INDIANA

January 1, 2003 to December 31, 2003





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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Mr. Gerald Coleman Ms. Mary DePrez	01-06-02 to 02-29-04 03-01-04 to 01-05-05
Branch Manager	Mrs. Patricia Diefenderfer	01-01-03 to 12-31-04



# STATE OF INDIANA

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Numbers 132 and 432 (Branch) for the period of January 1, 2003, to December 31, 2003. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2003, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 5, 2004

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
 LICENSE BRANCH NUMBERS 132 AND 432  
 SHELBYVILLE, INDIANA  
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS  
 January 1, 2003 to December 31, 2003

	Branch Number 132	Branch Number 432	Totals (Memorandum Only)
Collections:			
Registrations	\$ 3,199,461	\$ 1,825,434	\$ 5,024,895
Titles	631,358	196,036	827,394
Drivers Licenses	130,063	39,277	169,340
Watercraft	48,173	21,825	69,998
Miscellaneous	<u>240</u>	<u>65</u>	<u>305</u>
Total	<u>\$ 4,009,295</u>	<u>\$ 2,082,637</u>	<u>\$ 6,091,932</u>
Distributions:			
State Fees	\$ 1,691,396	\$ 831,987	\$ 2,523,383
County Tax	1,910,682	1,080,137	2,990,819
Commission Fees	<u>407,217</u>	<u>170,513</u>	<u>577,730</u>
Total	<u>\$ 4,009,295</u>	<u>\$ 2,082,637</u>	<u>\$ 6,091,932</u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 132 AND 432  
SHELBYVILLE, INDIANA  
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles and drivers licenses are sold. Fees are uniform throughout the state. The following taxes are collected by the branches: excise tax, surtax, wheel tax, and use tax.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

Note 4. Satellite Branch

This report contains financial and statistical information for both Shelbyville License Branch Number 132 and Morristown License Branch Number 432. Morristown License Branch Number 432 is a satellite branch of Shelbyville License Branch Number 132.

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
 LICENSE BRANCH NUMBERS 132 AND 432  
 SHELBYVILLE, INDIANA  
 STATISTICAL INFORMATION  
 January 1, 2003 to December 31, 2003

<u>Transactions Processed</u>	<u>Branch Number 132</u>	<u>Branch Number 432</u>	<u>Totals (Memorandum Only)</u>
Vehicle Registrations:			
Passenger	16,331	8,910	25,241
Motorcycle	816	457	1,273
RV (Housecar)	395	252	647
Light Truck	8,179	4,856	13,035
Other Truck	431	229	660
Farm Truck	270	235	505
Tractor	108	77	185
Trailer	2,731	2,031	4,762
Semi-Trailer	197	160	357
School and Church Bus	48	30	78
Other Bus	2	2	4
Other	<u>239</u>	<u>8</u>	<u>247</u>
Total Vehicle Registrations	<u>29,747</u>	<u>17,247</u>	<u>46,994</u>
Drivers Licenses and Permits:			
Drivers Licenses/Learners Permits	5,768	1,747	7,515
CDL Licenses/CDL Permits	307	117	424
Placards	929	296	1,225
Other	<u>3,533</u>	<u>930</u>	<u>4,463</u>
Total Drivers Licenses and Permits	<u>10,537</u>	<u>3,090</u>	<u>13,627</u>
Titles:			
Vehicles	13,013	3,047	16,060
Watercraft	<u>182</u>	<u>63</u>	<u>245</u>
Total Titles	<u>13,195</u>	<u>3,110</u>	<u>16,305</u>
Total Watercraft Registrations	<u>712</u>	<u>295</u>	<u>1,007</u>



STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 132 AND 432  
SHELBYVILLE, INDIANA  
EXAMINATION RESULTS AND COMMENTS

YEAR END INVENTORY

The Branch personnel took an inventory at the end of 2003. In January 2004, we tested the accuracy of this inventory. Several items were located at that time which had not been included in the inventory. When comparing the year end inventory to the Open Inventory Report, we noted that several items had not been included in the year end inventory.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 3, 2003, from the Audit Services Director)

DEPOSIT COMPOSITION

The composition of cash, checks and credit card totals per the cash register tape did not always agree with the breakdown on the bank deposit tickets and credit card deposit forms.

Transactions must be entered into the register according to the correct department and payment category keys at all times. (Branch Operations Policies and Procedures Manual, Periodic Reconcilements Chapter) IC 5-13-6-1 states in part: "Public funds . . . shall be deposited in the same form in which they were received."

MISSING PLATE AFFIDAVITS

Missing plate affidavits were not filed in a timely manner.

Missing plate affidavits are to be submitted when an accountable item listed on the consignment sheet is initially discovered missing. (Branch Operations Policies and Procedures Manual, Equipment and Supplies Chapter)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2003. No evidence was found to indicate these items have been sold.

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2002	Farm Truck 16,000	10493C
2005	Trailer 16,000	5563E
2006	Childrens Trust	KB5221
2007	Disabled American Veteran	2365
2007	Passenger	30A5752
2007	Passenger	30A5753
2007	Passenger	30A5754

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 132 AND 432  
SHELBYVILLE, INDIANA  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2007	Passenger	73A552
2007	Passenger	73A1973
2007	Passenger	73A9231
2007	Passenger	73A9563
2007	Passenger	73C902
2007	Passenger	73C914
2007	Truck 11,000	21795B

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

DOCUMENT RETENTION

An employee attendance report selected for testing could not be located.

Due to the lack of documentation, the validity and accountability for some monies disbursed could not be established.

Documents should be retained in accordance with the retention schedule approved by the Oversight Commission on Public Records. Also, documents must be attainable, upon request, during an audit. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Pages 1:5 and 1:6)

STATE BUREAU OF MOTOR VEHICLES COMMISSION  
LICENSE BRANCH NUMBERS 132 AND 432  
SHELBYVILLE, INDIANA  
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2004, with Mrs. Patricia Diefenderfer, Branch Manager.